pearls, and also the large scale manufacture of cultured pearls in Japan. It was indeed lucky for Bahrain that oil was found in 1932, or else she would have seen her principal industry slowly decline with nothing with which to replace it. Once the oil industry was established, however, it in its turn served to precipitate the decay of the older industry by providing employment with better conditions and higher pay than were to be found on the pearl banks. The decline had also been unwittingly aided by the reforms of the late Ruler, Shaikh Hamed, who, on becoming Deputy Ruler in 1923, found the working conditions of the industry in a shocking state. The pearl banks were productive and much money was being made but little of it went to the divers, many of whom had involved themselves in a form of financial slavery to the nakhudas. Divers were given advances by the captains before the season, to provide for their families while they were away at sea, and at the end of the season, while the sales of the pearls, were being carried out. The eventual result was that the captains gave advances far in excess of the money due to the divers at the end of the season and to repay these loans the divers were forced to work for the same captain in the following season. But each year the advances were again in excess of the divers' earnings and so they got deeper and deeper into debt to the captains. At the same time the latter were indebted to shore merchants for supplies, for which they were charged high rates of interest, although this was contrary to the Sheria Law. The captains passed this interest on to the divers, who thus paid a minimum of 50% of their original debt each year. Diving debts were bequeathed, sons of divers whose fathers died owing money to captains were forced to work for them, and a diver, if he became too old to work, was only released from diving if he was replaced by his son or some other relation. In addition to this, indebted divers were often made to work on land for their creditors, or were handed over as workers to merchants to whom the nakhuda owed money.

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Shaikh Hamed was determined to abolish all these practices and was supported by some of the more progressive Arabs and the Shiite and Sunni judges, who disapproved of the whole system. Amongst the bitterest opponents of the reforms were the divers themselves who were persuaded by the nakhudas and merchants into believing that they were going to lose by them. The reforms were, however, introduced and resulted in fixed advances, the amounts of which were announced annually by proclamation, the restriction of interest on advances, and all advances in excess of the legal amounts to be unreclaimable in court. The divers were also entitled to seek other work on the condition that they repaid a certain proportion of their diving debt each year. Many thousands of debts were reduced and the special diving court, which had favoured the captains and merchants, was abolished and all diving cases were heard by the ordinary courts. Finally, the debts of a diver died with him and could not be inherited by his heirs. The result of these reforms was that the industry, although reduced in size was put on a much sounder footing and its workers were not forced to dive but did so because they wanted to.

228 178 452 185 [698]

his intrigues, and was re-expelled, fleeing to Kuwait. He later travelled to Darin, where he built up a force with which he invaded Bahrain in September 1869, defeated and killed 'Ali at Rifaa and again became ruler of Bahrain. In Muhammad b. Khalifah's army he had as lieutenant Muhammad b. Abdulla, who had been expelled by the British from Dammam, and later in the year this Muhammad overthrew the new shaikh, imprisoned him, and made himself ruler.

The confusion caused in Bahrain by these troubles resulted in the appearance there of the British consul from Bushire in a man-of-war. The consul arranged for the deportation to Bombay of both the new shaikh and his imprisoned rival, and then consulted with local notables to see which member of the Khalifah family they would prefer to have as shaikh. The choice fell upon 'Isa, son of 'Ali b. Khalifah, who was at the time residing at Qatar, and he was summoned to Bahrain and acclaimed as its ruler. He reigned for fifty-four years till his abdication in 1923.

THE RULE OF SHAIKH 'ISA

From time to time during the remaining years of the nineteenth century the British Government rejected Turkish claims to sovereignty over Bahrain, as in the years 1870 and 1874, while at the same time the British took the opportunity to consolidate their power in Bahrain by means of two treaties signed between Shaikh Isa and the British Government in December, 1880, and March, 1892. By these treaties the shaikh bound himself not to enter into any relationship with a foreign government, other than the British, without the latter's consent, and there were also stipulations about the disposal of Bahrain territories. In 1902 a British Political Agent was posted in Bahrain, and in July, 1913, a Convention was signed by the British and Ottoman Governments, which included the recognition of Bahrain's independence and control of a number of islands near her. Three years later Ibn Sa'ud signed a treaty with the British Government in which he also agreed to refrain from aggression against Bahrain. In April and May of 1923 there were internal troubles in Bahrain which led to the abdication of Shaikh 'Isa and the succession of his son, Shaikh Hamed, who ruled for twelve years as deputy ruler, and on the death of Shaikh 'Isa in 1935 became Shaikh of Bahrain.

BAHRAIN IN RECENT YEARS

With the accession of Shaikh Hamed the story of modern Bahrain begins, and during the nineteen years of his rule Bahrain was transformed into a modern state. Conditions in the pearl industry were reformed, the position of the divers was bettered, municipalities, education and other public services were developed, as is described in other Chapters, and in many ways the state of the people of Bahrain was improved. In 1930 Shaikh Hamed signed a Concession Agreement with a company known as the Bahrain Petroleum Company, and three years later the first tanker-load of oil left Bahrain. The

DIVING INDUSTRY

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464 There is little to report on this subject. Under present conditions it seems probable that in a few years the diving Nakhudas will find that it is impossible to obtain any recruits for diving in Bahrain. During the season only 12 boats went out to the banks from Bahrain and most of the divers who were engaged were from Persia and the Trucial Coast. So much money can be earned on shore that few men are willing to leave their shore jobs in order to dive during the summer months.

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439 The tax on imported pearls imposed by the Government of India was in force throughout
228 and after the diving season and this contributed to a large extent to the slackness in the pearl trade. Taking into consideration the small number of boats employed in diving the catch was moderately good and pearl prices were not much lower than in the previous season.

MEDICAL DEPARTMENT

1372

(Report by Dr. R. H. B. Snow, M.B.E., Senior Medical Officer)

Summary of the Year

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751 A change is gradually infiltrating and making itself evident in the scope and policy of medical work which is increasing in every department and subconsciously affecting the life of the Island. Traditions are now being established which the new generation are growing up with, and health ideas which once were revolutionary are now accepted as the normal course of reasonable upbringing.

657 The medical department which started in a small way, and expanded slowly is seeing results which are very satisfying but which are taken for granted, although they took years of striving to achieve. From its small beginnings and tiny nucleus of key staff it has now spread out from something rather personal to more of a departmental outlook. This in the course of things is bound to be, but its danger is that lack of co-ordination may develop or that the department may absorb the individual expression. At present there seems to be no signs of this because the various heads of departments meet together continually to exchange ideas and align themselves in a common policy, and also they are readily accessible to the public.

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758 Lines of expansion have shown themselves everywhere. The surgical work has been given great impetus by the advent of an F.R.C.S. specialist, Mr. R. D. Wilkins.

The operation theatre now runs a staff rota for every 24 hours of the day, made possible by recruiting Sister Ford and Sister Johnson from England. Sister Edwards was appointed to the Nursing Home to replace Sister Millson. The X-Ray department has an English Radiographer in charge—Mr. Havey. The Laboratory has a staff of six technicians. Four new Indian doctors arrived, one lady doctor for the Women's Hospital, and the others, male, were appointed to the Boys' Schools, The Port, and the Hospital. Mr. Burgin replaced Mr. Hanvey as Public Health Inspector, and Mr. Nambiar became the new Anti-Malaria Supervisor. Both hospitals recruited many more Indian trained nurses. The lack of sufficient staff has now been made good and at present meets all needs which recently have been very pressing. It meant also that more specialised apparatus could be installed being safely handled by expert hands. Such things include a more powerful X-Ray plant, a modern anaesthetic apparatus to administer all gases and curare, an electro-cautery unit and an electro-cardiograph.

EDUCATION

Boys Schools

(From the report of Mr. Ahmed Umran, Director of Education).

Schools. Three new village schools, at Sanad, Tubli and Karzakan, were built and presented to the Government by the Bahrain Petroleum Company. The schools were fully furnished and in each place there was space for a playground near the building. His Highness Shaikh Sulman was present at the opening of the Tubli school and His Excellency Shaikh Abdulla, Minister of Education, attended the openings of the other two schools. The gift of these three buildings was much appreciated by the Government and by the people of the villages for which the schools provided education.

A large new school, on the Muharraq sea front, for small boys, was opened at the beginning of the term, with this school and three new village schools, and some additional class rooms in existing schools, it was possible to increase the total number of boys in the state schools by 610.

The building of these three schools roused immediate demands from other villages for schools to be built in their districts. Some of these requests came from villages within easy walking distance from schools. The desire for schools and sometimes for dispensaries is not always governed by real need; the existence of a school now seems to confer on a village a certain cachet. It was decided by His Highness on his return from England that three more village schools should be built by the Government, at Jidhafs, Asker and Jaw, the last place being the most distant inhabited village on the western coast. Towards the end of the year work was begun on these schools.

The growth of schools in the villages has had some repercussions. In the past the Shia villages provided the tenants and labourers in the date gardens, most of which are owned by Sunni Arabs. Landlords now realise that when the village boys acquire education they will no longer be content to work in the gardens, or as fishermen, as their fathers did before them. There is already a shortage of local labour for the date gardens and little competition to lease them. The town-dwelling landlords therefore do not view with enthusiasm the spread of education in the villages.

Staff. Every year the expansion of education makes it necessary to employ more teachers; those who complete their training in Bahrain are insufficient and have not enough experience to fill all the posts so each term the number of foreign teachers increases. Among most people this is regarded with disfavour, although there is a tendency among some to assume that because a teacher comes from abroad he must necessarily be better than any local product. Again in 1372 more teachers were recruited from neighbouring countries. The Director of Education, with the valuable assistance of the British Council in Beirut, enlisted 22 Lebanese, Syrians and Palestinians and he obtained from Cairo 5 Egyptians teachers to fill vacancies made by retirements and to provide staff for larger schools. At the end of the year the number of teachers in the boys schools was as follows :—

Egyptians	10
Indians	2
Syrians	6
Lebanese	24
Palestinians	23
Others	3
Bahrainis	136
Total ..	204

There was a continued improvement in the standard of English in the Secondary School, due principally to its being taught by a British teacher lent to the Government by the Bahrain Petroleum Company. This arrangement has proved extremely successful.

1 [A.D. 1952-53 -- Analyst]

5: Bahrain G-5 (1926-1937) 1937 MZ2 Bahrain MZ2

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which caused considerable resentment among the Shias, although at that time the proportion of Shias at the Government schools was much lower than it is now. If more care had been given to the selection of the candidates, this experiment would have been more successful. The boys remained at Beyrout for two years; a longer course would have been more useful to them but, mainly owing to financial reasons, the Government decided not to extend their time.

Some years have now passed since these boys returned to Bahrain, and the result of their education can now be seen. In my opinion, it was successful in the case of three of the boys, moderately successful in the case of three, and a complete failure in the case of one boy. If the boys had been younger when they left Bahrain, I believe that the experiment would have been a complete success.

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Education of the Ruling Family.

In 1925, Shaikh Hamad allowed two of his sons to go as boarders to the American Mission school in Basrah. They stayed there for one term and did not return to school.

In 1930 a tutor was obtained from India to teach Shaikh Hamad's younger sons. He was well recommended and highly qualified and had previously been in charge of an Indian princeling. Although the tutor worked hard under difficult conditions and did his best to teach his pupils, it was soon apparent that his employment was a waste of his time and of the Government's money. The tutor lived in Shaikh Hamad's house, but the boys were disinclined to work and so did nothing. It was impossible to bring any compulsion on them to do their lessons. The experiment was a complete failure and, after completing one year, the tutor's agreement was not renewed.

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Future Development of Education.

There is danger in the creation of a class of semi-educated young men in Bahrain who, because they have a little learning, regard themselves as too superior to do manual work and who will become too many to find employment of a clerical nature. The people, however, especially the Shias, are urgent in their demands for increased education, and more schools, and in reply to this the Government intends to open more small country schools in the villages. A knowledge of reading, writing, and simple arithmetic is all that is needed by boys from the villages, most of whom will eventually become divers, cultivators, and fishermen. In these occupations, school education is unnecessary, though for divers and fishermen a knowledge of figures is some assurance against being swindled.

Boys who attend the town schools in Manamah and Muharraq are mostly sons of shopkeepers, merchants, and pearl traders, and many of them enter their fathers' shops and offices, where they benefit from a knowledge of accounts, book-keeping, and the more advanced education which is given at the two big schools.

If the newly started technical classes are successful, the Government will develop this experiment and, if possible, introduce more subjects which will provide lucrative employment for trained boys when they leave school. It should be possible for boys who have learned carpentry, etc., at school to secure employment with the Bahrain Petroleum Company in place of some of the many foreign artisans who are now employed by the Company.

ELECTRIC DEPARTMENT

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Original Installation.

The possibility of introducing electricity in Manamah was first considered over ten years ago, and for some time funds were set aside for the purpose; it was not, however, till 1928 that any action was taken by the Government. That year the services of Mr. Stevenson, electrical inspector in Sind, were obtained in an advisory capacity and a scheme was prepared by him in Bahrain, together with plans for the layout and a rough specification. Bahrain was then in a prosperous condition, and it was estimated that the initial load would be not less than 2,000 lamps and 200 fans. The people in Manamah were anxious to form a public company, but after consideration this suggestion was dropped, and eventually it was decided that the scheme was to be undertaken by the Government and the Manamah Municipality.

5: Bahrain G-5 (1926-1937) 1937 MZ2 Bahrain MZ2

644 461 471 still that of feudal chiefs, though the feudal feeling no longer exists among the people of Bahrain. They consider it their right that they should be well provided for financially by the State, and they resent any suggestion that they should add to their incomes by doing work. They are still the biggest landowners in Bahrain, but by draining their property dry, and not spending any money on improvements, their property has deteriorated in value. They regard any real work as degrading, and only accept posts on courts or councils for the sake of obtaining more money, not because it is incumbent on them, as members of the Ruling Family, to occupy public positions. Their attitude in this respect is a contrast to that of the merchant class in Bahrain, who are unusually public minded and who freely give up much of their time to sit on courts and committees and councils.

562 178 185 **The Women.** Among the women, too, there have been changes, but they are more gradual than among the men. Every step towards emancipation is firmly resisted by the older female members of the households, but in spite of this there is a definite feeling among the younger women that they should have more freedom. Their ambition, at present, is not to take any part in public matters, but to be able to go out more frequently. They are becoming restive of the restrictions of the purdah system. Some are now educated, and a few have travelled abroad in Syria, Persia, India, and Iraq, and there they have seen the changes which are taking place in the life of the women of those countries. Many who have never been out of Bahrain read newspapers and listen to news on wireless sets, and frequently meet Indian and Syrian women in Bahrain. All this causes them to feel unsettled.

[595] One of the notable recent changes is that nowadays a great many young men only marry one wife, not because they cannot afford to support more wives, but because they prefer monogamy. The younger men are no longer ashamed of mentioning their wives and talking about their families, and many of them take their wives out with them in cars. A few years ago, if a man was seen with a woman in his car, one could be quite sure that she was not his wife. The modern young men look for wives who are educated, and frequently marry Persian or Iraqi girls because they received better education. One of the effects of education among the women in Bahrain is that they learn to keep their houses clean and they appreciate the value of hygiene, which is taught at school. Education also makes them willing to employ qualified doctors, especially at childbirth, when, in the past, they would have been treated by local Arab untrained midwives who are dirty and dangerous, and whose use of the notorious salt method is undoubtedly responsible for an enormous number of casualties among children and pregnant women.

Changes are taking place all over the Gulf, but of the Arab States, Bahrain is changing most rapidly. The most conspicuous visible changes in comparing Bahrain to-day and ten years ago are in the capital, where a person returning to the country would notice the wider streets, better buildings, and a decrease in straw huts, trees, gardens and more vegetation, large shops selling European goods, motor traffic, European dress worn by natives, increasing use of machinery, partly owing to installation of electric power, knowledge of English language, and a far greater interest being taken in outside world affairs.

5: Harrison D-4 (1912-1924) 1924 M1 Middle East
Maritime Arabs MK 2
Bahrain MZ2

N 228 164 such a number of chronic running ears. The lungs are often affected, and all along the diving coast pulmonary tuberculosis is common. This is not remarkable when we know that in the opening days of the season the men frequently dive in water that is so cold that they spit blood. Many return from their summer of semi-starvation and unsuitable diet of rice and dates with their gums sore and bleeding from scurvy.

Living conditions in the community are what might be M 511 expected. Disease is common. The death rate is high. Poverty is universal. In good years the standard of life is none too high. In bad years it is reduced almost to the starvation point. During a hard year the food of the divers is poor in quality and scanty in amount almost to the degree of partial starvation. They usually live in date-stick huts, and in the winter must frequently shiver in unwarmed houses because they have no money for fuel.

M 871 212 In such communities there is little or no interest in education. A diver has reason enough, one might suppose, for wanting to know how to read and write and keep his own accounts, but it is rare that one of them knows as much as that, and apparently it is equally unusual to find one who is trying to educate his children so M- 868 that they may escape the slavery that binds him. The boys are frequently taken out to learn pearl diving while B 871 they are still under twelve. In Bahrein the American Mission has tried for many years to develop educational 185 work of an elementary sort, but has found it practically 658 impossible because there is no demand for such things. The considerable Persian community in the city has made efforts from time to time to establish educational work for its own boys. The Persian schools exist for a little

[* of pearl divers -- Analyst]

5: Harrison D-4 (1912-1924) 1924 M1 Middle East
Bahrain rnz 2
Maritime Arabs Mk2

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871 time and then break up and disappear. Few care whether
185 they live or die. One of the Bahrein sheikhs made a visit
658 to England at the invitation of the British Government about three years ago. On his return he collected nearly a hundred thousand dollars for the founding of a free public school. A large building was projected, but by inefficiency and carelessness, if not worse, the entire sum was spent on the first story of that building. Now the project languishes and seems about to die, purely because nobody cares whether it lives or not. Even Koran schools are few in number and poor in quality. There is nothing like the diffusion of education that prevails in the inland
M desert towns.

463 Although the vast majority of the people in these towns
226 are pearl divers, there are a few fishermen and a smaller number who gain a precarious livelihood as sailors in Arab sailing ships. There are abundant supplies of fish in all these harbors, but fishing is a very unpopular occupation. It is hard, disagreeable work, and the men must frequently be out in the little boats all night. When times are good and the captain's allowances liberal, nobody is willing to fish. When the pearl catch is bad or the price low every one feels poor, many eke out their small resources by this additional work, and fish becomes plentiful and cheap.
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505 There were once many sea-going sail boats engaged in carrying various cargoes from port to port in this district, for the Arabs are bold navigators and can travel in these ships from India to the Suez Canal. They still bring goods from the various East African ports to Arabia, and rarely fail to make these long trips successfully, but the work is hard, and since the steamers of the "Ingleez" have absorbed more and more of the better

5: Harrison D-4 (1912-1924) 1924 M1 Middle East
Bahrain MZ2
Saudi Arabia M31

were to be kept away from all food. That epidemic stopped as if it had been cut off with an ax. There was not another fresh case reported after that day.

Bahrein is full of malaria. One of the city officials came to me not long ago to inquire as to the possibility of putting kerosene oil on the stagnant pools with which Bahrein abounds and so diminishing the amount of that disease. In matters like these the medical missionary has a most wonderful opportunity to be the pioneer in public health service. He hopes to see the day when all such work will be taken up by the governing sheikhs and carried to a point far beyond anything that he can do, but in the meantime helping to get such projects started is one of his keenest pleasures. He is also interested in the creation of an elementary medical literature for these backward communities. Simple pamphlets on malaria have found a wide reading in Basra, and a series of similar popular presentations of the dangers, means of transmission, and treatment of tuberculosis, syphilis, gonorrhea and malaria is projected for Bahrein. This is a work that often taxes the medical missionary to the utmost, for his literary abilities are not always of a high order and his available time is still less adequate, but it is something that he must do.

Not the least charm of work in such a country as Arabia is the number of medical problems that invite investigation. We have, for instance, a large amount of tuberculosis in Arabia, especially in the nomad communities. In America probably seventy-five per cent of all tubercular infections are pulmonary, but in Arabia perhaps less than twenty-five per cent. Just what causes the difference it would be interesting to investigate. One is tempted to speculate on the possibility of Arabian tuber-

63:Simmons et al G-5 (1941 1951) 1954
MI Middle East
Bahrain MZ 3

THE COMPANY ALSO OPERATES
refinery on the eastern side of the island, 315
opposite Sitra. It was expanded in 1945, and 382
80 to 85 per cent of the crude oil processed
is now obtained by pipeline from Saudi
Arabia. The refined petroleum products are
pumped to storage tanks on Sitra Island,
and subsequently to a deep-water loading
terminal 3 miles offshore. Over 6,000 Bah- 464
rainis, as well as some 1,600 British and 651
Americans, are employed in different 185
branches of the industry. Two thirds of the
royalties accrue to the Bahrain government,
half of which are utilized for capital ex-
penditures designed to raise the standards
of living of the people. Reports for 1951
indicate that 68 per cent of the government
income was derived from oil revenues, as
against 26 per cent from customs receipts.

The renewed prosperity of the islands and 471
the concurrent growth in population have
stimulated private enterprise and the
growth of small factories to supply current
needs, particularly as regards building ma-
terials. Fishing is an important seasonal 228
occupation of many villagers, and pre- 241
served fish, fish oils and other fish products 312
are items of export. Agriculture plays a
minor role. Barely 5 to 10 per cent of the
total land area is under cultivation, and
further expansion is restricted by the nature
of the terrain, the concentration of water
supply in limited areas and a feudalistic
system of land tenure. Date gardens flourish 241
in oases on Bahrain, Muharraq and Sitra 654
Islands, but the supply equals less than one
quarter of the local requirements. The gov-
ernment is endeavoring to promote the in-
troduction of other crops, and maintains an
experiment station at Budaiya.

The sea approaches to the archipelago are 504
shallow, making it necessary for ocean ves- 505
sels and oil tankers to anchor 2 to 4 miles
from the shore. Bahrain and Muharraq,
however, have good harbors which accom-
modate dhows and other shallow-draft ves-
sels. Manama is an active trading center: 505
coastal traffic is more or less continuous,
while frequent steamer services are avail-
able to the northern Gulf ports and to India
AND PAKISTAN.

63:Simmons et al G-5 (1941-1951) 1954
M1 Middle East
BAHRAIN MZ 2

Sukal Khamis and Karzakkan. Venereal disease and trachoma clinics were carried on in the boys' schools, and regular school health services in the girls' schools. 743

The Reformed Church of America started a medical mission in Manama at the end of the last century. Its Mason Memorial Hospital has sections for men and women which, in 1951, had a combined capacity of 100 beds, as well as outpatient clinics. 747 743

The Bahrain Petroleum Company maintains a hospital at Awali for the care of its employees. The division for the British and the American staff had a capacity of 40 beds in 1951, while that for the Arab and the Indian personnel had a capacity of 70 beds. The Company also operates dispensaries at its refinery and in the towns of Manama and Sitra. 743

Laboratories. A laboratory which undertakes examinations for all the government institutions is connected with the men's hospital in Manama. It has facilities for the performance of microscopic, bacteriologic, serologic and biochemical tests. Serologic, bacteriologic and clinical laboratories are attached to the hospital of the oil company in Awali. Clinical facilities are also available in the mission hospital. X-ray departments are incorporated in the government and the industrial hospitals. 742

Schools. No schools for the training of medical personnel exist in Bahrain, but plans are under consideration for the development of a course for the training of nurses in the government hospitals at Manama. Medical assistants are trained in all the general hospitals. 874 185

Personnel

Physicians. Twenty-four British, American and Indian doctors were associated with hospitals in Bahrain in 1952. Of this number, 11 were in the government hospitals, 2 in the mission hospital and 11 in the oil industry hospital. A few Indian doctors are engaged in private practice in the town of Manama. 759

Dentists. One dentist is engaged by the

64: Shwadran S-4 (no date) 1955 M1 Middle East
Bahrein MZ 2

Chapter XV

BAHREIN

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IN DISCUSSING IRAN, Iraq and Saudi Arabia, two basic differences were noted between the two former and the latter. The regimes of Iran and Iraq were not as completely autocratic as that of Saudi Arabia; the income from the oil, while very important and constantly increasing, was only one of many sources of income for the Government. In both countries the political leadership realized the importance of the oil revenue to long-range economic development and appreciated their own inability to envision and project plans for development, and they therefore invited foreign experts to prepare large-scale as well as long-range plans for the realization of the economic potentialities of their countries. The basic difficulty in both Iran and Iraq was implementation; both being sovereign and deeply suspicious of foreigners, especially Westerners, they would not voluntarily surrender their powers to foreign specialists to exercise supreme authority in the utilization of the oil revenue for development. They devised means within political-legislative limits and set up authorities to implement the plans prepared by the foreign experts. The limitations of the political leadership in control of these authorities—the Seven Year Plan Organization in Iran, and the Development Board in Iraq—hampered the successful achievement of the desired objectives.

Saudi Arabia differed from Iran and Iraq in two important aspects, and the problem of development became much more acute. Because the country was in a very primitive stage of development, it became almost exclusively (about 90 per cent) dependent on the income from oil. The absolutist King saw no need for foreign experts to work out a long-range program of development; whatever projects were undertaken were decided upon by the ruler, who could not by any stretch of the imagination be considered an economic expert with knowledge, training and experience in development.

64: Shwadran S-4 (no date) 1955 M1 Middle East
Bahrein MZ2

651 The British protectorates in the Persian Gulf present still
185 another situation, and because of that the results of the development of these territories are different from those in Iraq and Iran as well as in Saudi Arabia. While in theory the sheikhdoms of Bahrein, Kuwait and Qatar are nominally independent; they are far from sovereign and are subject in different degrees and by different methods to British guidance and authority. While all three have become increasingly dependent on oil revenue for almost their entire governmental budget, the disposal of the revenue is subject to British control, exercised sometimes openly, sometimes subtly, and in consequence a good portion of the income has been used for the economic development of the territories. It should be underlined that this has been primarily due to the efforts and determination of outsiders rather than to the wisdom and foresight of the native rulers.

Bahrein

000 The sheikhdom of Bahrein is composed of a group of islands in the Persian Gulf, situated about fifteen miles off the coast of Saudi Arabia between the province of al Hasa and the Qatar peninsula. The capital, Manama, is on the main island; the second largest island is Muharraq. The islands, with a population estimated at 120,000 are ruled by the al Khalifah family. The traditional economic sources of income were pearling at Muharraq and trading for the Arabian mainland at the port of Manama.

648 Since December 2, 1880 the sheikhdom has been a British protectorate; on that date the Sheikh of Bahrein signed an agreement in which he declared: "I Isa Bin Ali Al Khalifah, Chief of Bahrein, hereby bind myself and successors in the Government of Bahrein to the British Government to abstain from entering into negotiations or making treaties of any sort with any State or Government other than the British without the consent of the said British Government, and to refuse permission to any other Government than the British to establish diplomatic or consular agencies or coaling depots in our territory, unless with the consent of the British Government."[1]

[1] Abbas Faroughy, *The Bahrein Islands (750-1951)*, (New York, 1951), 28. This was confirmed by a subsequent agreement on Mar. 13, 1892. *Ibid.*, 123-124.

64: Shwadran S-4 (no date) 1955 Ml Middle East
Bahrein MZ2

652 There have also been other implications. The Sheikh, the
651 Government and the people have become increasingly, in fact almost exclusively, dependent on the oil. In 1932 the entire government budget was about $143,600; in 1951 the total government revenue was $5,271,000, of which approximately 61 per cent came from oil and 34.9 per cent from customs duties,[24] which must be considered an indirect result of the oil industry. In 1953 the Government revenue was derived 68 per cent from oil, 24 per cent from customs duties, and 5 per cent from
[464 interest on the reserve fund.[25] The oil boom also created in-
458 flationary pressures which caused many Bahreinis to seek em-
471 ployment in other oil-producing areas in the Gulf. Because of
178 its central location, the I.P.C. subsidiary, Petroleum Concessions Ltd., which held concessions in Qatar and on the Trucial coast, had made its Gulf headquarters in Bahrein and built large offices and houses for its staff. Bahrein had become a resort and shopping center for the oil employees, especially Americans and Europeans, in Saudi Arabia and Qatar. These not only added to the inflationary pressures, but so greatly increased the social vices of gambling, drinking, prostitution and their concomitants as to cause grave concern to those responsible for the health and welfare of the population.[26]

185 The Bahrein islands are limited in area and in resources; oil,
WA in a more definitely limited quantity than that of any of the other areas in the Gulf, is the only resource supporting the Sheikh, the Government and its extended services, and also to a considerable degree the people at large. Though perhaps originally a little more advanced than some of their neighbors, the people of Bahrein, prior to the discovery of oil, had a low standard of living and consequently a very low standard of governmental and social services. When the pearling industry suffered a serious setback as a result of the world depression and the development of cultured pearls, Bahrein was in a desperate situation. With the arrival of the Bahrein Petroleum Company,

aroughy, *The Bahrein Islands*, 20 *et passim;* "Oil and Bahrein," *The World Today*, VII, 77-79, Feb., 1951; Bell, *loc. cit.*

[24] Bahrain Petroleum Company, Limited, *Bahrain 1952* (pages not numbered).

[25] Angus Sinclair, "The Resources and Their Potentialities. III, Petroleum and Minerals," in *Middle East Resources Problems and Prospects* (Washington, 1954), 46. The 68 per cent of the revenue directly from oil did not include the one-third which went to the Sheikh.

[26] "Oil and Bahrein," *The World Today*, VII, 79, 81-83, Feb., 1951; Faroughy, *The Bahrein Islands*, 20 *et passim.*

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the islands entered a new era. Governmental services, education, health, housing, sanitation and other services gave the Bahreinis one of the best living standards of the area. This was the result not only of the income derived from the Company—although the Company contributed directly to the raising of the standards and the direct revenue from its operations made these improvements possible—but was primarily due to the Government's determination to utilize the income for constructive purposes. This achievement must be ascribed first to the British Government which (in spite of all disclaimers) controls the government of the Sheikh, and, secondly, to the Sheikh's adviser, J. H. W. Belgrave. It was no doubt the British Government's decision to divide the revenue from the oil into three parts, allowing the Sheikh only one-third, earmarking another third for current expenses and general development, and leaving the rest to be invested. This is perfectly illustrated by the Government's expenditure budget for 1953.[27]

But with the improvements also came drawbacks; a serious breakdown in social and religious loyalties, and an alarming rise in the social vices. Education deteriorated to an emphasis on those subjects which guaranteed employment in the petroleum industry. It has been observed that some Bahreini students know more English, even though only superficially, than Arabic; the eagerness for employment caused many parents to take their children out of school long before their graduation even from primary school. Yet even with this limited education and the experience of employment with Bapco, some of the workers began to show symptoms of discontent. They demanded that the Company allow trade unions in its operations, and that Bahreinis have more control over the Company.[28] All in all, considering the conditions of the islands and the general stage of the people's development, one must conclude that the discovery of oil has brought Bahrein pros-

[27] Government operating expenses including administration, courts and public protection, $707,000 (9 per cent); health and education, $1,464,000 (18 per cent); public works, $1,453,000 (18 per cent); two capital works projects—gas supply for the city of Manama and a deep water terminal, $1,260,000 (15 per cent); surplus for investment, $2,846,000 (36 per cent). Sinclair, *loc. cit.*, 46.

[28] In July 1954 it was reported that a general strike had been proclaimed in Bahrein, directed against the ruler, Sir Salman Bin Hamad Al Khalifah, for failure to reform the despotic regime. The strikers demanded that a commission be set up to examine reforms, including improvements of public health and education facilities. *Daily Telegraph* (London), July 12, 1954.